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ELIAS C. ALVORD (1942)
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RECORDATION NO. 25708 FILED

JUL 14 '05

1-14 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

July 14, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of May 27, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: M&T Credit Services, LLC
25 South Charles Street
Baltimore, Maryland 21202

Lessee: New York Susquehanna and Western Railway
Corporation
1 Railroad Avenue
Cooperstown New York 13326

Mr. Vernon A. Williams
July 14, 2005
Page 2

A description of the railroad equipment covered by the enclosed document is:

6 locomotives: RRPX 43, RRPX 78, SIXX 41, SIXX 45, SIXX 47 and SIXX 77 (previously with CN and MK reporting marks as more particularly set forth in the equipment schedule attached to the document).

A short summary of the document to appear in the index is:

Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 25708 FILED

JUL 14 '05 1-14 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of May 27, 2005

between

M&T CREDIT SERVICES, LLC
as Lessor

and

THE NEW YORK SUSQUEHANNA AND WESTERN RAILWAY CORPORATION
as Lessee

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of May 27, 2005 by and between M&T CREDIT SERVICES, LLC (the "Lessor") and THE NEW YORK SUSQUEHANNA AND WESTERN RAILWAY CORPORATION (the "Lessee"), with reference to the following:

1. The Lessor has agreed to lease to the Lessee, and the Lessee has agreed to lease from the Lessor, those certain locomotives described on Exhibit No. 1 attached hereto.

All of such locomotives are more fully described in that certain Master Equipment Lease dated as of August 26, 2002 and that certain Equipment Schedule No. 6 thereto and incorporating the terms thereof dated as of May 27, 2005 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between the Lessor, as lessor, and the Lessee, as lessee.


2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

M&T CREDIT SERVICES, LLC

By: 
Name: Christopher J. Oliver
Title: Assistant Vice President

THE NEW YORK SUSQUEHANNA AND
WESTERN RAILWAY CORPORATION

By: 
Name: Tabettha Rathbone
Title: Vice President

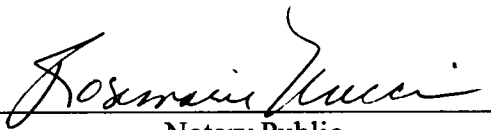


STATE OF New York)
)
CITY/COUNTY OF Monroe)

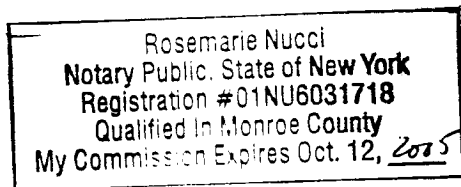
ss.

I HEREBY CERTIFY, that on this 29th day of June, 2005, before me, the undersigned, a Notary Public of the State of New York, personally appeared Christopher J. Oliver, who acknowledged himself to be the Assistant Vice President of M&T CREDIT SERVICES, LLC, known (or satisfactorily proven), to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Assistant Vice President of said company by signing the name of the company by himself as the Assistant Vice President.

AS WITNESS my hand and notarial seal.


Notary Public

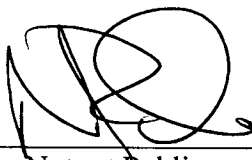
My Commission Expires:



STATE OF NEW YORK)
)
COUNTY OF OTSEGO)

I HEREBY CERTIFY, that on this 27 day of May, 2005, before me, the undersigned, a Notary Public of the State of New York, personally appeared Tabetha Rathbone, who acknowledged herself to be the Vice President of THE NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION, known (or satisfactorily), to be the person whose name is subscribed to the within instrument, and acknowledged that she executed the same for the purposes therein contained as the duly authorized Vice President of said company by signing the name of the company by herself as Vice President.

AS WITNESS my hand and notarial seal.



Notary Public

NATHAN R. FENNO
Notary Public, State of New York
Otsego County, No. 4786561
My Term Expires 3/30/2007

EXHIBIT NO. 1
TO MEMORANDUM OF LEASE AGREEMENT

DESCRIPTION OF LOCOMOTIVES

Six (6) C636 6axle 3600 HP diesel electric locomotives bearing the following reporting marks and numbers:

	<u>Current</u> <u>Marks</u>	<u>Previous</u> <u>Marks</u>
1.	SIXX 41	CN2300
2.	SIXX 45	CN 2304
3.	RRPX78	MK5402
4.	RRPX43	CN2302
5.	SIXX47	CN2312
6.	SIXX77	MK5403